



Center for
Global Policy
Solutions

Sugar-Sweetened Beverage Taxes

A Summary of Recent Legislative Efforts
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Sugar-Sweetened Beverage Taxes

Taxes are increasingly cited as an innovative and effective way to reduce the consumption of sugar-sweetened beverages (SSBs), and thereby stymie rising rates of obesity, among today's adult and youth populations. In fact, many states already have SSBs taxes in place: 34 states and Washington, DC currently levy a sales tax on SSBs.¹ However, these sales taxes have not done enough to decrease consumption of the highly caloric, sugary beverages that continue to contribute to the rising obesity rates and related health problems. As a result, an increasing number of states around the country are attempting to pass tax legislation specifically intended to constrain the purchase of SSBs and improve health.

Legislation proposed most often establishes taxes that are excise in nature, as opposed to sales, to increase the likelihood that the customer sees an increase in shelf price of SSBs. Proposed taxes also generally levy a \$0.01 tax per ounce, which would increase SSB prices by approximately 20 percent.² Research shows that as a little as a 10 percent increase in the price of SSBs is needed to reduce consumption by eight to 12 percent.³

To date, many bills proposing SSB taxes have been introduced around the country, with notable examples including New York City, El Monte, CA and Richmond, CA. Unfortunately, so far, none of these legislative efforts have passed and been implemented successfully.

Legislative options⁴

- Levy a one-cent per ounce (or \$1.28 per gallon) excise tax on bottled sugar-sweetened beverages sold by or offered for sale to a retailer.
- Levy a one-cent per ounce (or \$1.28 per gallon) excise tax on syrup or powder sold by or offered for sale to a retailer, either as syrup or powder or as a sugar-sweetened beverage derived from that syrup or powder.
- Levy a one-cent excise tax on every teaspoon of added caloric sweetener in a bottled sugar-sweetened beverage and/or syrup or powder sold by or offered for sale to a retailer.
- Exempt low-calorie beverages (or those with added sweeteners below a certain level) from the tax if they are seen as healthier alternatives to higher calorie beverages.

- Require distributors operating within the state to apply annually for a permit to distribute sugar-sweetened beverages.
- Establish a Health Promotion Fund into which all revenue collected by the taxes on sugar-sweetened beverages will be paid. The Fund is often dedicated to the prevention and treatment of obesity in children or in general.

Summary of 2013 Proposed SSB Taxes⁵

Excise Taxes

Oregon
 California
 Texas
 Mississippi
 West Virginia
 Rhode Island
 Connecticut
 Vermont
 Hawaii

Sales Taxes

Nebraska
 New York
 Massachusetts

Current Sales Taxes on SSBs as of 2011⁶

Washington – 6.5 percent	Alabama – 4 percent
California – 6.25 percent	Florida – 6 percent
Idaho – 6 percent	Tennessee – 5.5 percent
Utah – 1.75 percent	Kentucky – 6 percent
Colorado – 2.91 percent	Ohio – 5.5 percent
Texas – 6.25 percent	West Virginia – 6 percent
Oklahoma – 4.5 percent	Virginia – 1.5 percent
South Dakota – 5 percent	North Carolina – 4.75
North Dakota – 4 percent	Pennsylvania – 6 percent
Wisconsin – 5 percent	New York – 4 percent
Minnesota – 6.875 percent	Maine – 5 percent
Iowa – 6 percent	Rhode Island – 7 percent
Kansas – 6.3 percent	Connecticut – 6.35 percent

Missouri – 1.225 percent
Illinois – 6.25 percent
Indiana – 7 percent
Arkansas – 1.5 percent
Mississippi – 7 percent

New Jersey – 7 percent
Delaware – 6 percent
Maryland – 6 percent
Hawaii – 4 percent
DC – 6 percent

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- ¹ Brownell, KD and Friedman RR. (2012). *Sugar-Sweetened Beverage Taxes: An Updated Policy Brief*. New Haven, CT: Yale Rudd Center for Food Policy & Obesity.
- ² Taxes on Sugar-Sweetened Beverages. American Public Health Association website. www.apha.org/advocacy/policy/policysearch/default.htm?id=1437. Updated October 30, 2012. Accessed April 1, 2013.
- ³ Brownell, KD and Friedman RR. (2012). *Sugar-Sweetened Beverage Taxes: An Updated Policy Brief*. New Haven, CT: Yale Rudd Center for Food Policy & Obesity.
- ⁴ National Policy & Legal Analysis Network to Prevent Childhood Obesity (NPLAN). (2012). *Model Sugar-Sweetened Beverage Legislation*. Oakland, CA: ChangeLab Solutions.
- ⁵ SSB Sales and Excise Tax Legislation – 2013. Yale Rudd Center for Food Policy & Obesity website. www.yaleruddcenter.org/resources/upload/docs/what/policy/ssbtaxes/SSB_Sales_and_Excise_Tax_Legislation_2013/SSB_Sales_and_Excise_Tax_Legislation_2013.htm. Accessed May 23, 2013.
- ⁶ Brownell, KD and Friedman RR. (2012). *Sugar-Sweetened Beverage Taxes: An Updated Policy Brief*. New Haven, CT: Yale Rudd Center for Food Policy & Obesity.